

Press Release

Cool Japan Fund Inc.

Tokyo, April 6, 2015

Investing in a US-based Japanese Tea Cafe that Originated in Nagasaki Prefecture

Cool Japan Fund has decided to jointly invest in a US-based Japanese tea cafe with its roots in Nagasaki Prefecture. Cool Japan Fund will invest approximately 260 million yen in the project together with Maetaku Co., Ltd. (the holding company of MAEDA-EN, USA, which has established a track record in the Japanese tea business in the US for three decades) and a consortium of companies primarily based in Nagasaki.

The cafe will serve various drinks using high-quality Japanese tea leaves with utensils including Hasami-yaki tea ware to be brought from Nagasaki. Using Japanese sweets, plates and assorted goods, the cafe will be built on the concept of not just serving Japanese tea but giving customers opportunities to enjoy Japanese culture.

Having this project as a model to bring Japan's regional offerings to the world, Cool Japan Fund aims to establish a sales platform for unique and competitive local products including in Nagasaki. To help Japanese tea fit local lifestyles, Cool Japan Fund aims to help increase the presence of high-quality Japanese tea and of local products outside Japan.

In recent years, the US has seen an unprecedented tea boom, with the consumer market experiencing rapid growth to reach one trillion yen. Among the different varieties, green tea has gained popularity against the backdrop of an increased number of health-conscious consumers in the US. The consumption of green tea is expected to rise by around five percent a year, outpacing growth of other varieties ⁽¹⁾.

In light of these market developments, Cool Japan Fund has decided to jointly invest in a US-based Japanese tea cafe that originated in Nagasaki. Partnering with Maetaku Co., Ltd. and a consortium of companies primarily based in Nagasaki, Cool Japan Fund will invest approximately 260 million yen into the project. The new joint venture company, GREEN TEA WORLD USA, Inc., will operate the business in the US.

The consortium is based in Nagasaki Prefecture, where Maetaku Co., Ltd. is located, and comprises 12 companies and a few individuals who support the purpose of the new venture. The consortium will leverage respective specialties and strengths of the partners, including Maetaku Co., Ltd. (exporting Japanese tea and other products), Nagasaki Prefecture Trading Corporation (importing and exporting products made in Nagasaki), Bunmeido Sohonten Co., Ltd. (producing and distributing *castella* Japanese sponge cakes), Memolead Co., Ltd. (running hotel and restaurant business), Takeno Corporation (running restaurant business) and The Eighteenth Bank.

The cafe will use high-quality Japanese tea leaves in all of the tea-based beverages. In addition to staples such as *sencha* (infused green tea) and *hojicha* (roasted green tea), original beverages including *Matcha* (powdered green tea) Espresso, Caramel *Hoji* Latte and Sparkling Green Tea will be offered in the \$3-4 price range. The drinks will be served in Hasami-yaki tea ware to be brought from Nagasaki. Japanese sweets, plates and assorted goods will also be provided, and will be available for sale at a separate retail space inside a cafe. In this way, the cafe will be built on the concept of not just serving Japanese tea but giving customers opportunities to enjoy Japanese culture while in the US.

The first store will be launched in California in 2015, with plans to expand to fifty stores throughout the US in 10 years. The business is expected to be deployed outside of the US in the future.

Cool Japan Fund aims to establish a sales platform for the producers of unique and competitive local products based in Nagasaki first, which could otherwise find it difficult to expand overseas on their own, and expand the effort to all of Kyushu in the near future through a business alliance with the Kyushu Economic Federation. This project is expected to serve as a model to bring Japan's regional offerings to the world, and to build momentum beyond Nagasaki and Kyushu, encouraging other regions around Japan to take on the challenge of expanding overseas.

To help Japanese tea fit local lifestyles, Cool Japan Fund aims to help promote Japanese culture and increase the presence of high-quality Japanese tea and of local products outside Japan.

[Maetaku Co., Ltd.]

Established December 1995
Location Nagasaki-shi, Nagasaki
CEO Taku Maeda
Business Export of Japanese tea and other products

[MAEDA-EN, USA]

Established April 1984
Location California, USA
CEO Taku Maeda
Business Sales of Japanese tea, ice cream and other products
Website (English) <http://maeda-en.com/>

[GREEN TEA WORLD USA, Inc.]

Established April 2015
Location California, USA
Chairman Taku Maeda
President & CEO Osamu Murata
Business Japanese tea cafe business

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